

STATEMENT BY
HONORABLE CYRUS R. VANCE
SECRETARY OF THE ARMY
BEFORE THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
FEBRUARY 1963

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ARMED SERVICES COMMITTEE

Mr. Chairman, Members of the Committee:

It is a pleasure to present to this Committee a statement of the posture of the Army and the details of the Fiscal Year 1964 Army Financial Program.

The Army Chief of Staff, General Earle G. Wheeler, will make his statement when I finish.

I would like to begin by assuring you that the Army is in better shape today than it has been for many years and that our program for Fiscal Year 1964 will, in turn, improve the condition of the Army substantially.

Our combat forces are in excellent condition. Their effectiveness has been significantly increased. Two years ago our strategic CONUS reserve (STRAF) was limited to three effective divisions. Today, this reserve consists of eight divisions all in combat condition. Prior to the Berlin call-up Army strength stood at 870,000 men; today, it stands at 960,000 and will even go, on a temporary basis, to 980,000 by the end of this fiscal year.

The quality of our individual personnel has improved. The high enlistment standards which the Army has employed since 1 January 1959

and a determined policy of eliminating misfits have produced excellent results. The Army today has the highest educational level in its 187-year history. Where 10 years ago 48 per cent of our enlisted men were high school graduates, the figure by last year had increased to 75 per cent. During the same period the level of college graduates among Army commissioned officers rose from 50 per cent to 65 per cent.

In addition, our disciplinary record has improved substantially. In 1955, the Army had five disciplinary barracks with a prisoner population of 6,000. Today, but one disciplinary barracks is in operation and the number of prisoners is less than 800. We have eliminated the dead weight on the Army of the equivalent of four battle groups in jail and two battle groups guarding them.

During the past fiscal year over 127,000 men enlisted in the Army voluntarily, and career reenlistments remained at the high figure of 86.8 per cent. The Army still must depend, however, on the Universal Military Training and Service Act in order to meet its manpower needs fully. We hope that necessary legislation to extend this Act will be forthcoming from the Congress when the Act expires this year. During the past fiscal year we inducted 157,517 men through the draft, and our enlistment

programs, as well as those of the other Services, depend in part on the existence of the Selective Service program.

Increased deliveries of equipment are now coming into our inventory as a result of the augmented procurement budgets of Fiscal Years 1962 and 1963. We are now issuing new materiel on a selective priority basis to Army units world-wide. New individual weapons, machine guns, missiles, tanks and armored personnel carriers are being furnished to troops.

During the past year the Army, with Congressional approval, completed a reorganization designed to increase our efficiency and effectiveness for developing and maintaining combat-ready forces for employment under unified operational commands. This reorganization established two new major field commands. The Army Materiel Command now controls most research and development and wholesale materiel operating functions. I am confident from our experience to date that the consolidation of all these responsibilities under the one command will improve these operations. The Combat Developments Command was created to consolidate combat developments and doctrinal responsibilities. Both new organizations are now functioning very well, and the value of

this organizational change is already being demonstrated. In addition, the mission of the Continental Army Command was expanded to assume most responsibilities for individual and unit training and for school supervision.

At departmental headquarters where our key role is the overseeing and management of the world-wide activities of the Army, we have given more emphasis to the planning necessary to insure the availability of advanced doctrine, trained personnel, and modern equipment formed in combat-effective units in the shortest possible time. Accordingly, we have established the position of Assistant Chief of Staff for Force Development so we have a senior experienced officer to supervise and coordinate this planning. Likewise, because of the significance and importance to combat effectiveness of our Reserve Components, we have established the position of Chief, Office of Reserve Components to provide similar increased experience and emphasis to our Reserve efforts. Both positions carry the three-star rank of lieutenant general. We intend to perform our headquarters and field functions with a minimum commitment of personnel and dollar resources.

We have certain significant major projects underway to exploit this general trend in Army improvement.

To bring still greater effectiveness to our task of providing combat-ready forces for unified operational commands we are proceeding with our tailored division plan known as "Reorganization Objective Army Division", or ROAD. The ROAD division plan stresses the flexibility of tailoring divisions and combat forces, including combat support, to meet our diverse world-wide requirements. Depending on the mission and operational environment, the division can be tailored by varying the number and type of assigned maneuver battalions within the three brigade organizations in each division. We can vary the mix of these maneuver elements within the division or within the brigades, making them heavy in armor and mechanized forces or making them heavy in infantry units, depending on requirements. We have two ROAD divisions in the Army now and plan to complete reorganization of our remaining 14 active Army divisions to ROAD by the end of Fiscal Year 1964.

Our program for improving the mobilization readiness and troop structure of the Reserve Components in line with our mobilization plans

is well underway and has been well-publicized. Briefly, our program calls for the realignment of eight divisions into operational headquarters, eight new ROAD-type brigades, and numerous non-divisional units; the conversion of the remaining combat divisions to the ROAD structure; and the elimination of outmoded or surplus units. New units to support both the active Army and the Reserve Components are being activated. We plan an increase in the number of full-time technicians, and in the number of individual reservists who receive two weeks' active duty training.

We expect to have the Army Reserve reorganization completed before the 1963 summer camp. Completion of the Army National Guard reorganization is contingent upon acceptance of the troop allotment by the respective States and can be completed three months after the States accept the plan. I am happy to report that agreement has been reached with 42 states.

A third major project is the further development and refinement of our airmobility concepts studied and proposed this past summer by the Army Tactical Mobility Requirements Board headed by Lieutenant General Hamilton H. Howze. Secretary McNamara has discussed this subject in

his statement but I want to explain this project in some detail here because so many misconceptions exist concerning the Howze Board, its findings and recommendations, and the Army position thereon.

These misconceptions arise, I think, largely because the real meaning and value of tactical mobility is not clear to many outside the Army. In this regard, I might point out that if the history of warfare shows one constant, it is that victory on the battlefield goes to the side that can best maneuver and employ its firepower. This has been demonstrated by Caesar and his legions, by Genghis Khan, by Stonewall Jackson in his Valley Campaign, and more recently by first the Germans and then the Allies in World War II. The progressive modernization of armies has been very largely a story of the effort of land forces to gain a conclusive advantage in their ability to move and employ their weapons against their enemies. This advantage lies in tactical mobility.

Our current aviation technology and the advances in recent years in conventional weaponry offer a great potential to Army combat power through vastly increased mobility and accompanying improvement in the variety and volume of firepower we can deliver on the enemy in

ground battle. The objective of the Howze Board was to take a bold new look at land warfare mobility with a view to substituting air mobility systems employing the Army helicopter and the Army light fixed wing aircraft to replace in part and augment the traditional ground systems of the truck, ground fire support, and the armored combat vehicle wherever analysis might show that such substitution improved the Army's combat effectiveness. Thereby, we would obtain a mobility advantage over potential enemies.

Beginning this year, we want to test further the organizations recommended by the Howze Board to integrate those proven feasible into our force structure, and at the same time to incorporate a compatible combat and service support system for our field army. We want to do all this without any serious degradation in combat readiness. Secretary McNamara made it plain, I believe, that the Board proposals for airmobile units embodying these concepts are somewhat related to the Air Force mission. I want to emphasize that this is a relationship which promises new ranges of combat potential for unified forces within the national defense team. This should not be construed as an infringement by the Army on the Air Force mission.

I also want to make it clear that the Army plans neither to organize an Army Air Corps nor to duplicate tactical air support missions that are the responsibility of the Air Force. The Army will continue to look to the other Services for the performances of the missions of transport, air supremacy and air support to assist us in our own land warfare operations. As a matter of fact, our search for improved mobility will probably place increased demands on the Air Force in all these missions.

The Army takes the basic view that the integration of aviation in the ground combat environment is a logical step in the evolution of mobility. All aviation that operates continually in the ground soldier's environment should be responsive to his immediate command and should therefore be organic to the Army. This view is entirely consistent with the modern demands on the Army in its mission of conducting prompt and sustained combat operations on land.

I will now move to a presentation of the main outlines of the Fiscal Year 1964 Army Financial Program. My remarks are illustrated by Tables facing the appropriate page, and repeated as necessary to assist you in following my comments. Because of your general

TABLE 1

FISCAL YEAR 1964 ARMY BUDGET PLAN
 (\$ Million \$)

	<u>1963</u>	<u>1964</u>
MPA	3, 942. 4	4, 035. 0 ✓
RPA	239. 2	210. 1
NGPA	261. 8	240. 3
O&MA	3, 318. 4	3, 395. 2
O&M, ARNG	174. 4	176. 6
NBPRP (National Board for Promotion of Rifle Practice)	. 6	. 5
PEMA	2, 643. 7	3, 316. 0 ✓
RDT&E	1, 286. 5	1, 469. 9 ✓
MCA	161. 5	249. 5 ✓
MCAR	10. 0	6. 0
MCANG	10. 0	6. 0
	<hr/>	<hr/>
TOTAL	\$ 12, 048. 5*	\$ 13, 105. 1 *✓

*✓ \$246. 7 million for Army Family Housing is budgeted in a DOD appropriation account but distributed to the Army base program. Because this is a separate DOD budget item, it is not shown here as part of the Fiscal Year 1964 Army Budget Plan, and is not reflected in the Fiscal Year 1963 amounts.

TABLE 2

COMPARISON OF ARMY BUDGET PLAN
 1962 - 1964
 (\$ Billion \$)

<u>YEAR</u>	
1962	\$ 12. 7
1963	12. 0
1964	13. 1

familiarity with budget terms and tables of this nature, I will only comment on significant high lights and changes over prior fiscal years rather than discuss every entry on each Table. Accordingly, I have checked the figures on the Tables that I am discussing, but please interrupt me any time you wish to clarify a point. All figures in these Tables are rounded for ease in review.

Table 1 shows the Fiscal Year 1964 Army Budget Plan by appropriation title and reflects a direct budget plan total of \$13.1 billion. For purposes of comparison the Fiscal Year 1963 figures are shown in this table.

This \$13.1 billion total represents an increase of just over \$1 billion in Fiscal Year 1963, and the \$13.1 billion total for Fiscal Year 1964 does not include \$246.7 million for Army Family Housing which is part of a separate Department of Defense appropriation request. For purposes of comparison, these funds are not included in the Fiscal Year 1963 amounts. The principal increases this year are in the MPA, PEMA, RDT&E and MCA appropriations, and I will discuss these in detail in a few moments.

Table 2 shows the comparison in total figures between Fiscal Year 1964 and the preceding two fiscal years.

TABLE 3

MILITARY PERSONNEL, ARMY (MPA)
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Pay and Allowance	\$ 3,248.5	\$ 3,389.4
Subsistence of EM	335.6	337.7
Permanent Change of Station Travel	353.3	303.3
Other Military Personnel Costs	5.0	4.6
	<hr/>	<hr/>
TOTAL	\$ 3,942.4*✓	\$ 4,035.0 ✓

* Does not reflect Fiscal Year 63 required supplement for \$102.7 million.

I will describe very briefly what we expect to do with the funds requested in each appropriation in the Fiscal Year 1964 budget.

Please refer to Table 3, Military Personnel Army, or MPA. This year the proposed total of \$4 billion will support a beginning Army strength of 980,000, an average strength of 968,300 and an end strength of 960,000, plus 15,000 additional spaces to provide test units for the Howze Board's airmobile concept.

Our budget total last year was \$3.9 billion, but as the footnote on Table 3 indicates this total does not reflect a required supplement in Fiscal Year 1963 of \$102.7 million. This supplement is required to cover costs of maintaining on active duty through September the Reserve Component units called up for the Berlin crisis and to meet the increased cost of the new quarters allowance. Our total Fiscal Year 1963 figure then will be \$4.045 billion. Thus, the total for the new year is at approximately the same level as last year.

TABLE 4

PROCUREMENT EQUIPMENT
AND MISSILES, ARMY (PEMA)
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Aircraft	\$ 207.5	\$ 488.3
Aircraft Spare Parts	19.4	33.8
Missiles	512.1	558.4
Missile Spare Parts	17.8	22.3
Weapons & Combat Vehicles	535.0	488.6
Tactical & Support Vehicles	346.3	343.1
Communications & Electronic Equipment	315.6	405.9
Other Support Equipment	216.2	243.1
Ammunition	359.0	589.3
Production-Base Support	114.8	143.2
TOTAL	<u>\$ 2,643.7</u> ✓	<u>\$ 3,316.0</u> ✓

Table 4 shows the breakout of our Procurement of Equipment and Missiles, Army, or PEMA. This appropriation provides the funds for materiel to equip and train approved Army forces and sustain them in combat. Additionally, this appropriation provides for production engineering tooling and facilities in support of current production, arsenal modernization and lay-away of production facilities.

In this, the largest of the Army's capital accounts, \$3.3 billion is planned for Fiscal Year 1964, as compared with \$2.6 billion in Fiscal Year 1963. These funds will provide a substantial increase in our total materiel inventory, and replace consumption losses due to training, wear-out in use and obsolescence. These funds will also provide the needed production capability for new items and other fixed costs. This budget will provide for the procurement of certain hard-core items. Examples are: T196E1 Self-Propelled 155mm Howitzer, XM 106 Self-propelled Mortar Carrier, UH1-B/D IROQUOIS Tactical Utility Helicopter, and HONEST JOHN Rocket.

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In addition, we will continue to procure sizeable quantities of such items as the M60A1 Main Battle Tank, XM 102 Light Towed Howitzer, AN/PRC-25 Man Portable Radio Set, CV-2B CARIBOU Transport Airplane, and extended range as well as more lethal ammunition.

The item details of this PEMA budget will be discussed with you by General Colglazier later in the hearings.

TABLE 5

MILITARY CONSTRUCTION, ARMY (MCA)
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Major Construction	\$ 132.7	\$ 223.5
Minor Construction	13.1	10.0
Planning	14.2	15.0
Supporting Activities	1.5	1.0
	<hr/>	<hr/>
TOTAL	\$ 161.5	\$ 249.5 ✓

Table 5 shows Military Construction Army, or MCA, the total amount being \$249.5 million, which is an increase of \$88 million over last year's appropriation. Our new request will support essential construction for Army forces world-wide, but I want to elaborate on this because our construction needs are so urgent. Construction is a major concern because of the situation in terms of the type and number of Army facilities. Approximately 180,000 of the half million men and officers in the United States are housed in World War II temporary structures which are now twenty years old and were hastily constructed to accommodate the World War II build-up in 1941 and 1942. They were intended to last for a five-year period, and so are considerably beyond their planned span of utility. The structures are obsolete, seriously deteriorated, and expensive to maintain.

Recent annual levels of MCA funding have not permitted replacement and modernization of these facilities at an adequate rate. The increase in Army strength has placed additional demands that require even greater use of these outmoded structures, with an impact on morale and readiness.

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At the same time, because of higher priority operational requirements, procurement of modern weapons systems, and research and development costs over the last several years, even though Army manpower and the total Army budget have increased, the Army MCA budget has decreased. This decline in MCA fund support has been further aggravated by a continuing rise in construction costs and by the increasing obsolescence of mobilization type structures.

These are the reasons for the increase over last year. The funds for major construction will let us replace temporary facilities with new barracks for enlisted men at six different installations within the United States; hospital, dispensary or laboratory facilities at three installations in the United States; and maintenance shop or related type facilities at six domestic installations. \$58 million is planned for overseas construction, and of this amount approximately \$16 million will be used for ammunition storage facilities in the European and Pacific areas, with the balance being devoted primarily to troop, operational, and water supply installations. This year's request will allow us to meet permanent construction requirements for about 18,000 domestic spaces of our total requirement of about 180,000 spaces.

TABLE 6

RESEARCH, DEVELOPMENT, TEST & EVALUATION (RDT&E)
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Military Sciences	\$ 199.4	\$ 220.5 ✓
Aircraft	80.7	82.2
Missiles	453.1	576.6 ✓
Mil Astronautics	51.0	20.2
Ships & Small Craft	1.2	1.2
Ordnance, Combat Vehicles	166.9	175.4
Other Equipment	263.0	317.5 ✓
Management & Support	71.2	76.3
	<hr/>	<hr/>
TOTAL	\$1,286.5✓	\$1,469.9 ✓

Table 6 shows our Research, Development, Test and Evaluation, or RDT&E, for a total of approximately \$1.5 billion, the increase of \$183 million over Fiscal Year 1963 being primarily in Military Sciences, Missiles, and Other Equipment. The Fiscal Year 1964 RDT&E request will be discussed in detail later on by General Beach. For my own part, I want to mention two conceptual considerations backing our RDT&E effort.

First, the Army believes that technical modernization offers great potential for Army progress. Our basic Army individual attitudes, concepts, doctrines, equipment, tactics and organization should reflect the tremendous advances offered by Free World technology. It is important to this approach, however, to know that the Army is not interested in minor marginal improvements. We want large-scale technical progress. The Army should be probing the technological horizons of this decade.

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Management & Support	71.2	76.3
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In this probing, however, we are engaged in a high-risk high-return program. That is, the very nature of technology and the research and development effort are such that the exact degree of technical modernization our R&D program can give us cannot be predicted in advance. There are major uncertainties in technology itself and in scientific study, experimentation, evaluation, and test efforts. It is easy to take counsel of these uncertainties and to assume that they create a certain looseness and obscurity in research and development. I assure you that our research and development effort receives the same consideration, supervision, control, and accountability as do our other programs, to the end that we are satisfied we are undertaking an orderly, organized, responsive research and development effort.

TABLE 7

OPERATION & MAINTENANCE, ARMY (O&M)
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Operating Forces	\$ 1,165.1	\$ 1,230.5
Training Activities	198.0	203.3
Central Supply Activities	904.2	838.6
Major Overhaul & Maintenance	271.2	272.8
Medical Activities	164.4	174.5
Army-wide Activities	532.2	583.6
Army Reserve & ROTC	83.3	91.9
	<hr/>	<hr/>
TOTAL	\$ 3,318.4*	\$ 3,395.2 ✓

*Excludes 37.5 proposed supplemental appropriation

Table 7 shows our Operation and Maintenance, Army appropriation or O&MA request in the amount of \$3.4 billion. This appropriation supports the day-to-day operational and training activities of the Army. It is directly related to and supports the strength, training and deployment of the Army, to include the number and type of combat units maintained, and the base establishment in terms of posts, camps, stations and other installations. Additionally, it provides operation and maintenance support for the United States Army Reserve and Reserve Officers Training Corps.

The ability of the Army to provide an effective, combat-ready force is partially dependent upon the sufficiency of this appropriation. For Fiscal Year 1964 the budget estimate will support day-to-day operations and maintenance of facilities and equipment at approximately the Fiscal Year 1963 level. The increase over Fiscal Year 1963 results from several actions. The principal increases, however, are due to the civilian pay raise, an increase in mapping and charting activities, and providing for the test of the Army's air mobility units. There is also an increase in the number of United States Army Reserve civilian technicians. Our priority emphasis will continue to be devoted to operational readiness and improvement of combat posture.

TABLE 8

RESERVE APPROPRIATIONS
(\$ Million \$)

	<u>1963</u>	<u>1964</u>
Reserve Personnel	\$ 239.2	\$ 210.1
National Gd Personnel	261.8	240.3
Operation & Maint, ARNG	174.4	176.6
	<hr/>	<hr/>
TOTAL	\$ 675.4	\$ 627.0 *✓

* Does not include \$83.3 million, Fiscal Year 1963 and \$91.9 million, Fiscal Year 1964 in O&M, A BP 2600.

Table 8 reflects Reserve Forces appropriations totaling \$627 million, for support of Army Reserve personnel, National Guard personnel, and operation and maintenance of the Army National Guard. This is an over-all Reserve Forces decrease of \$48.4 million from last year. The totals shown here, as the footnote indicates, do not include funds appropriated for Reserve activities under the Operations and Maintenance, Army.

The paid drill strength of the Army Reserve Components is programmed at an end strength of 700,000 for both end Fiscal Year 1963 and Fiscal Year 1964. However, the Fiscal Year 1964 military personnel budgets are computed on the assumption that actual attainment will be 650,000 for end Fiscal Year 1963 and 665,400 for end Fiscal Year 1964. These assumptions are based on our Reserve Component experience, which I will discuss in detail in a few moments when I cover our specific programs.

So far I have reviewed our Fiscal Year 1964 Financial Program by appropriation. In my opinion, this is a good Financial Program and it lays a basis for increasing the effectiveness of the Army. Now, to refresh your memories, let me describe how the appropriations I have just discussed are broken down into the program categories used by the Department of Defense, and briefly, the content of each program.

As you know, the Army has no units or activities within Program I, Strategic Retaliatory Forces, so I will proceed immediately to Program II - Continental Air and Missile Defense.

(PROGRAM II - CONTINENTAL AIR AND MISSILE DEFENSE)

The Army makes an important contribution to continental air defense. NIKE units and their Army missile control centers, although integrated with the air defense system, can operate independently, and will be needed through the foreseeable future to defend against both a bomber and a missile threat. The bomber threat will remain serious, and our defense must increase in capability, so as to protect our own bombers, missiles and metropolitan areas. Our Fiscal Year 1964 program is designed to increase the target detection and control capabilities of our missile defenses.

The Army's contribution to continental air defense consists of the Army Air Defense Command (ARADCOM), which includes the on-site Army National Guard missile units, and the support furnished by the Continental Army Command (CONARC). The active Army operational units are the HERCULES missile battalions and their missile control centers. The National Guard operational units are NIKE AJAX and HERCULES battalions.

TABLE 9

DEPARTMENT OF DEFENSE PROGRAM II -
CONTINENTAL AIR & MISSILE DEFENSE

1. OBJECTIVE: To maintain an effective defense of continental urban and military centers against manned aircraft and tactical ballistic missiles.

2. FORCES AND RESOURCES:* FY 63 FY 64

FORCES

TOA (Million \$)	241.7	189.2
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COMMAND, CONTROL AND
SUPPORT

TOA (Million \$)	49.4	52.1
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3. SUMMARY

TOTAL TOA (Million \$)	291.2	241.2 ✓
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* Army National Guard Funding and Personnel shown in Program V.

Table 9 shows the essentials of Program II. I have included the National Guard units in this portion of the program because they are an integral part of the active Army air defense operations. However, I will show the manpower strength of the National Guard in my discussion of Program V.

Our complete Program II new budget figure is \$241.2 million. This will support our active Army NIKE HERCULES battalions in Fiscal Year 1964. In the new year Army National Guard NIKE AJAX battalions are being phased out and additional NIKE HERCULES battalions formerly operated by the active Army will be turned over to the Army National Guard.

The missile defense capability will improve. The NIKE HERCULES has a dual capability for nuclear or high explosive warheads, while the NIKE AJAX is capable of firing high explosive warheads only. The NIKE HERCULES has a better command guidance system through its associated radars and so has an improved target detection and control capability over NIKE AJAX.

TABLE 10

DEPARTMENT OF DEFENSE PROGRAM III - GENERAL PURPOSE FORCES

1. OBJECTIVE: To maintain a level of balanced combat-ready forces in the active Army deployed to support world-wide US commitments, to complete the conversion of active Army divisions to the ROAD configuration by end Fiscal Year 1964 and to test air mobility units.

2. FORCES:	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	16	16* ✓
BRIGADES	5	8
REGIMENTS	4	4
MISSILE COMMANDS	2	2
SPECIAL FORCES GROUPS	6	6

3. PROGRAM SUMMARY:

TOTAL TOA (Million \$)	6, 220.4	6, 801.4 ✓
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* Excludes test air mobility units.

(PROGRAM III - GENERAL PURPOSE FORCES)

General Purpose Forces are those forces we rely on to fight local or limited wars and to fight the theater operations of general war. This is the Army's largest program and includes over 50 per cent of our personnel and dollar resources.

Table 10 summarizes our General Purpose Forces program. The 16 divisions do not include our test air mobility units.

We will complete reorganization of the 16 active Army divisions within ROAD during Fiscal Year 1964. In discussing Army posture, we prefer to use the term "division forces" to describe our structure. A "division force", as we use the term, includes the division itself plus the combat service and back-up support units which are needed to make a self-sustaining combat-effective force.

We rely on the Reserve Components to provide some of the necessary back-up and service support units for the active Army. This is one of the principal reasons we desire to achieve a higher state of readiness in certain Reserve Component units.

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2. FORCES:	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	16	16* ✓
BRIGADES	5	8
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MISSILE COMMANDS	2	2
SPECIAL FORCES GROUPS	6	6

3. PROGRAM SUMMARY :

TOTAL TOA (Million \$)	6, 220.4	6, 801.4 ✓
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* Excludes test air mobility units.

There are equipment factors which bear on the effectiveness of our division forces. The \$3.3 billion proposed for Army procurement in Fiscal Year 1964 will be the highest level the Army has yet received for peacetime procurement and represents a logical progression in the increases we were provided in Fiscal Year 1962 and Fiscal Year 1963 which assisted achievement of our present readiness.

The resulting procurement under this \$3.3 billion level when added to the existing inventories of combat serviceable equipment will provide support for 16 active Army division forces and 6 high-priority Reserve Component division forces, a total of 22 division forces. The equipment status of these division forces reflects the so-called P-Day concept.

The P-Day concept, which is the basis for the Army's current logistics guidance, is based on the provision of continuous support of forces from M-Day to P-Day, or the day when the production capacity of the country can meet the consumption requirements of the engaged forces. It is the basis for providing continuous combat support over an indefinite period of time with minimum procurement of combat consumption stocks in advance of D-Day. Just what that minimum level

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DIVISIONS	16	16* ✓
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* Excludes test air mobility units.

should be depends upon the ability of industry to produce at the same rate at which stocks are being consumed. This ability, measured in months after D-Day, defines P-Day for a given item. In cases where P-Day occurs shortly after D-Day, as it will when an item can be produced quickly and in quantities to match an increasing consumption, the amount of that item which must be purchased before D-Day is relatively small. However, where the ability of producers to meet consumption rates is limited, such as can occur when the production lead time is long, the expansion of industrial capacity is slow, and the consumption rate is high, P-Day can occur many months after D-Day. Hence, in order to provide stocks to replace those items consumed in combat from D-Day until P-Day, the quantity purchased in peacetime will be correspondingly large. The principal advantage of the P-Day concept is that it enables continuous combat support at minimum peacetime expense.

Our special warfare effort is part of Program III. Since the spring of 1961 the Army has been expanding its special warfare capability. A phased improvement of Army special warfare capabilities is planned for the Fiscal Year 1963-Fiscal Year 1968 time frame.

TABLE 10

DEPARTMENT OF DEFENSE PROGRAM III - GENERAL PURPOSE FORCES

1. OBJECTIVE: To maintain a level of balanced combat-ready forces in the active Army deployed to support world-wide US commitments, to complete the conversion of active Army divisions to the ROAD configuration by end Fiscal Year 1964 and to test air mobility units.

2. FORCES:	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	16	16* ✓
BRIGADES	5	8
REGIMENTS	4	4
MISSILE COMMANDS	2	2
SPECIAL FORCES GROUPS	6	6

3. PROGRAM SUMMARY :

TOTAL TOA (Million \$)	6, 220. 4	6, 801. 4 ✓
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* Excludes test air mobility units.

In Fiscal Year 1964, we will continue to deploy area-oriented and language-trained Special Action Forces. These Special Action Forces consist of Special Forces Groups and a number of specialized detachments such as engineer, civil affairs, Army Security Agency, psychological warfare, military intelligence, and military police units.

Program III. General Purpose Forces decisions will be supported by \$6.8 billion.

(PROGRAM IV - AIRLIFT AND SEALIFT)

I will omit detailed review of Program IV - Airlift and Sealift Forces, because this program has only limited Army input, primarily port terminals. Within Program IV we are, of course, interested most in seeing our requirements filled by the other Services.

TABLE 11

DEPARTMENT OF DEFENSE PROGRAM V - RESERVE AND GUARD FORCES

1. OBJECTIVE: To improve mobilization readiness and insure compatibility of the reserve component structure with the needs of the active Army by reorganizing and realigning the Reserve Components by end Fiscal Year 1963; to maintain the improvements thus established by continuing the training and structural effort in Fiscal Year 1964 within a programed paid drill strength of 700,000 men.		
2. FORCES AND RESOURCES:		
	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	29	29
BRIGADES	11	11
AIR & MISSILE DEFENSE FCS TOA (Million \$)	78.6	62.4
GENERAL PURPOSE FCS TOA (Million \$)	578.1	654.9
GENERAL SUPPORT TOA (Million \$)	440.9	352.8
3. SUMMARY		
TOTAL TOA (Million \$)	\$1,097.6	\$1,070.1 ✓
TOTAL PD DRILL STRENGTH PROGRAMED (Thousands)	700	*700 ✓
BUDGETED (Thousands)	650	665
RFA (Input in Thousands)	182	111

* Funds are provided to support 657,700 paid drill man years, the estimated attainable strength.

(PROGRAM V - RESERVE AND GUARD FORCES)

Army Reserve and National Guard forces are part of Program V, and these are summarized in Table 11.

The Fiscal Year 1964 budget requires \$1.07 billion for the Army Reserve Program. The strength of the Reserve Components for end Fiscal Year 1964 is programed at 700,000 and units will be authorized to recruit to manning levels which add up to this figure. On the other hand, our experience in Fiscal Year 1963 indicates that the beginning strength for Fiscal Year 1964 will be far below this figure. We now estimate it will be about 650,000. Because of this low beginning strength we have estimated the end strength in Fiscal Year 1964 will be 665,400 -- 384,400 in the Army National Guard and 281,000 in the Reserve.

The predicted low end strength for Fiscal Year 1963 is a result of several factors. Large losses in the program have occurred and will occur in this fiscal year because the first group of six-month trainees under the Reserve Forces Act of 1955 complete their 5-1/2 years of service in this year. As a result, the number of six-month trainees that must be recruited in Fiscal Year 1963, if a strength of 700,000

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2. FORCES AND RESOURCES:	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	29	29
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AIR & MISSILE DEFENSE FCS TOA (Million \$)	78.6	62.4
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GENERAL SUPPORT TOA (Million \$)	440.9	352.8
3. SUMMARY		
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BUDGETED (Thousands)	650	665
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is to be attained, is 195,000. This figure is 70,000 greater than the total number recruited in any previous year. It is not surprising then that recruiting has fallen well behind the program. As of mid-December the total RFA recruits admitted to training was less than half the number programed and the total strength of the Guard and Reserves has declined since September.

Under the proposed program the number of technicians on duty with the Army Reserve will have a net increase of 1,587, going from 3,726 to 5,313. The number of individual reservists who can be sent to two weeks' active duty training can be increased from 48,400 to 80,300. The number of National Guard technicians, exclusive of the air defense program, drops by 528 man years, as compared to the Fiscal Year 1963 appropriation. A requirement for 25,500 active Army personnel for training and support of Army Reserve Components will be met.

As for equipment for Reserve Forces the items needed to equip the priority reserve, which includes six division forces, are included in the calculation of requirements which establishes the overall Army PEMA Program for the 22-division force.

TABLE 11

DEPARTMENT OF DEFENSE PROGRAM V - RESERVE AND GUARD FORCES

1. OBJECTIVE: To improve mobilization readiness and insure compatibility of the reserve component structure with the needs of the active Army by reorganizing and realigning the Reserve Components by end Fiscal Year 1963; to maintain the improvements thus established by continuing the training and structural effort in Fiscal Year 1964 within a programed paid drill strength of 700,000 men.

2. FORCES AND RESOURCES:	<u>FY 63</u>	<u>FY 64</u>
DIVISIONS	29	29
BRIGADES	11	11
AIR & MISSILE DEFENSE FCS TOA (Million \$)	78.6	62.4
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BUDGETED (Thousands)	650	665
RFA (Input in Thousands)	182	111

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Within the 22-division force, PEMA items are distributed at the time of delivery on the basis of priorities related to then current War Plans. These plans and priorities normally dictate that the bulk of new items go to elements of the active Army which are the first to be deployed. In addition, world conditions at the time of delivery may well act to modify the priorities for distribution previously established by the War Plans.

The major source of equipment for the Reserve Forces will continue to be less modern items released by the active Army in proportion to the amount of new equipment provided to active Army units. However, about \$157 million worth of new equipment to be included in the Procurement of Equipment and Missiles, Army (PEMA) Program is planned for distribution to the Reserve Components.

In sum, this program promises a real improvement in the readiness of our Reserve Components.

TABLE 12

DEPARTMENT OF DEFENSE PROGRAM VI - RESEARCH AND DEVELOPMENT

1. OBJECTIVE: To provide the Army with a technical superiority which will act as a deterrent to potential enemies and insure victory in the event of either limited or general war with or without the use of nuclear weapons; to fulfill projected Army qualitative materiel requirements; to insure timely reaction to technological advances; to establish a firm base of basic and applied research to support projected operational needs.

2. PROGRAM CATEGORIES	<u>FY 63</u>	<u>FY 64</u>
(TOA in Million \$):		
RESEARCH	95.5	105.9
EXPLORATORY DEVELOPMENT	178.1	216.8
ADVANCED DEVELOPMENT	161.0	54.9
ENGINEERING DEVELOPMENT	588.6	809.4
MANAGEMENT & SUPPORT	210.5	231.8

3. SUMMARY

TOTAL TOA (Million \$)	1,233.7	1,418.8
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(PROGRAM VI - RESEARCH AND DEVELOPMENT)

Program VI supports our Research and Development. Table 12 summarizes this program, but in view of General Beach's forthcoming presentation, I will make just a few points.

In Fiscal Year 1964 we want to place extra emphasis on research and development applicable to special warfare, to air mobility, and to ballistic missile defense. Soviet medium and intermediate range ballistic missiles were recently deployed in Cuba and the possible future deployment of the Soviet long range ballistic missiles in other Communist nations cannot be excluded. The Army considers that an anti-missile defense of United States urban and military centers is urgently required, a view that has been already stated to you by the Secretary of Defense.

The Army's ballistic missile defense research and development will be reoriented in 1963 to place emphasis on the development of an improved system tentatively titled the NIKE X. The present NIKE ZEUS tests will be continued because these tests are most valuable in providing information in developing a defensive system and also in improving penetration aids for offensive systems.

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DEPARTMENT OF DEFENSE PROGRAM VI - RESEARCH AND DEVELOPMENT

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2. PROGRAM CATEGORIES (TOA in Million \$):	<u>FY 63</u>	<u>FY 64</u>
RESEARCH	95.5	105.9
EXPLORATORY DEVELOPMENT	178.1	216.8
ADVANCED DEVELOPMENT	161.0	54.9
ENGINEERING DEVELOPMENT	588.6	809.4
MANAGEMENT & SUPPORT	210.5	231.8

3. SUMMARY

TOTAL TOA (Million \$)	1,233.7	1,418.8
------------------------	---------	---------

The Army is continuing to place emphasis on research and development to enhance our capabilities in the special warfare field -- that is, unconventional warfare, psychological operations, and counterinsurgency. The several-fold increase in effort since early in 1961 is aimed at assuring that items of equipment peculiar to these types of operations are provided to using units as soon as possible. Expedited development projects are underway in many fields -- weaponry, demolitions, air and surface mobility, intelligence, communications, surveillance, psychological operations, and combat support. Some of these projects require considerable effort in terms of time and money -- for example, the development of a powerful base radio station and a psychological warfare broadcasting system. Other projects are concentrating on much smaller, though certainly essential items. Included in this category are such items as simple security devices, lightweight weapons, and improved individual equipment needed to give our soldiers an additional edge in jungle operations. Many projects are directed toward solving problems which are extremely difficult from a technological point of view -- for instance,

TABLE 12

DEPARTMENT OF DEFENSE PROGRAM VI - RESEARCH AND DEVELOPMENT

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2. PROGRAM CATEGORIES (TOA in Million \$):	<u>FY 63</u>	<u>FY 64</u>
RESEARCH	95.5	105.9
EXPLORATORY DEVELOPMENT	178.1	216.8
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MANAGEMENT & SUPPORT	210.5	231.8

3. SUMMARY

TOTAL TOA (Million \$)	1,233.7	1,418.8
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detection of an ambush before it can be sprung, and developing lightweight radios to greatly increase communication range in the jungle. We recognize that "gadgetry" will not solve the problems with which we are confronted. Hence our R&D program in support of special warfare requirements is tailored to provide sound, practical materiel which will provide a significant advantage over existing equipment.

Other areas of research and development emphasis include conventional warfare individual and supporting weapons. Here we are striving to reduce the number of systems; increase hit capability, lethality, and range; and lighten the weight. Progress is continuing in development of the Special Purpose Individual Weapon, our new hand-held armament; the TOW anti-tank wire guided missile for infantrymen; fire control and fire direction equipment for our artillery family of weapons; and improved ammunition and fuses for small arms, mortars, artillery and anti-tank weapons.

TABLE 13

DEPARTMENT OF DEFENSE PROGRAM VII - GENERAL SUPPORT

1. OBJECTIVE: To provide the minimum essential CONUS training, logistic and administrative base required for the support of the combat and operating forces; in addition provide world-wide intelligence and communications capabilities in accordance with established objectives.

2. RESOURCES:	<u>FY 63</u>	<u>FY 64</u>
INDIVIDUAL TRAINING AND EDUCATION		
TOA (Million \$)	878.0	1,088.9
INTELLIGENCE AND SECURITY		
TOA (Million \$)	300.2	316.8
COMMUNICATIONS		
TOA (Million \$)	175.8	192.1
LOGISTIC SUPPORT		
TOA (Million \$)	1,275.9	1,288.8
MEDICAL SERVICES		
TOA (Million \$)	254.4	245.1
COMMAND AND GENERAL SUPPORT		
TOA (Million \$)	601.8	627.6
ALL OTHER		
TOA (Million \$)	38.3	34.8

3. SUMMARY:

TOTAL TOA (Million \$)	3,524.4	3,794.1
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(PROGRAM VII - GENERAL SUPPORT)

Program VII, General Support, embraces many important missions essential to Army combat effectiveness: individual training and education; intelligence and security; communications; logistic support; medical services; command and general support; and certain other sub-divisions which relate to the Army's contribution and participation in joint and Department of Defense agencies. Table 13 summarizes these activities.

TABLE 14

PROGRAM & APPROPRIATION - COST SUMMARY
 FY 1964
 (In Millions of Dollars)

APPROPRIATION	PROGRAM						TOTAL
	II	III	IV	V	VI	VII	
MPA	92.6	2626.0	10.1	117.6	38.8	1150.0	4035.0
RPA	-	-	-	210.1	-	-	210.1
NGPA	-	-	-	240.3	-	-	240.3
O&MA	63.7	1296.2	14.2	155.9	-	1865.2	3395.2
PRP	-	-	-	-	-	0.5	0.5
O&MARNG	-	-	-	176.6	-	-	176.6
PEMA	75.6	2711.5	1.8	157.6	3.9	365.6	3316.0
RDT&E	-	103.3	-	-	1361.1	5.5	1469.9
MCA	9.4	64.5	0.1	-	15.0	160.6	249.5
MCAR	-	-	-	6.0	-	-	6.0
MCARNG	-	-	-	6.0	-	-	6.0
TOTAL	\$241.2	\$6801.4	\$26.2	\$1070.1	\$1418.8	\$3547.4*	\$13105.1*
<u>COST CATEGORY</u>							
R&D	-	103.3	-	-	1376.1	5.5	1484.9
INVESTMENT	84.9	2776.0	1.9	169.6	3.9	583.6	3619.9
OPERATING	156.3	3922.2	24.3	900.5	38.8	2958.3	8000.3
TOTAL	\$241.2	\$6801.4	\$26.2	\$1070.1	\$1418.8	\$3547.4*	\$13105.1*

*Excludes 246.7 for Family Housing

(SUMMARY OF ARMY PROGRAMS RELATED TO BUDGET SUPPORT)

This concludes my review of our Army major programs and budget support for Fiscal Year 1964. Table 14 relates the budget appropriations to these programs in summary form. The programs shown here are only those in which the Army is involved. The Strategic Retaliatory Forces Program and the Civil Defense Program are not shown.

Down the left of the page are listed the appropriation titles, and the break-out illustrates the amounts under each appropriation proposed for each Army major program.

Let me emphasize my conviction that appropriation and execution of the Fiscal Year 1964 Army budget will place the Army in a position where it can further greatly improve its capabilities and its contributions to the support of national policy. I would call your particular attention to several areas where we desire and expect to achieve improvements, but first I want to point out that certain problems remain with us.

The Army's ability to attract, develop, motivate and retain professionals with the highly specialized skills needed to man this modern Army depends to a large extent on such things as troop housing, pay, benefits, family and bachelor quarters, and family life.

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Continuing problems exist in all these areas. For example, military pay has not kept pace with salaries in other professions. Periods of family separation have been on the increase.

It is plain, I think, that we need to create a stability which allows reasonably predictable career patterns and which establishes the incentives to attract and retain qualified people.

Progress is being made. A new quarters allowance became effective on 1 January, which increases the monthly quarters allowance an average of 18 per cent -- the first increase in this allowance since 1952. Career attractiveness will continue to receive our continuing attention and emphasis.

This Congress is being asked to authorize and appropriate funds for an increase in military pay. I urge you to give this matter early and favorable consideration.

We desire and expect improvement in several other significant areas. With respect to Army strength and structure, we are seeking a truly global combat capability sufficient to deal rapidly and effectively with the simultaneous multiple crises in widely separated world areas that the Communists are clearly able to generate. In the long sequence

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of Communist aggression that began at the end of World War II, wherever the United States has met the Communists face to face with American military power, the Communists have backed down. The clear and credible capability of the United States Army to deal with multiple crises, wherever they might occur, will be a major factor in deterring and defeating future Communist aggression.

Equipment, air mobility and combat support are important to improving our strength, and we are seeking improvement in this area now. The new budget with its \$3.3 billion PEMA request gives us opportunity for continued improvement in our equipment status.

Next, with respect to Army Reserve Forces, we expect the re-alignment plan to pay big dividends in terms of improved compatibility of the Army Reserve Components with the active Army.

In addition, we can continue giving heavy emphasis to our special warfare operations, and can substantially improve our capabilities for unconventional warfare, psychological warfare, and counterinsurgency operations.

We will gain a general increase in special warfare effectiveness, particularly through our Special Action Forces, and I anticipate that

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planned improvements in the special forces structure will benefit our support effort in South Vietnam and elsewhere.

The Army we want is a lean, efficient, professional Army. We emphasize simplicity, ruggedness, and economy. The accent is on combat readiness and combat effectiveness. We seek neither the time nor the money for anything that does not contribute to combat effectiveness.

My objective for the Army is to develop, maintain, and improve our power for prompt reaction and continuing initiative within any Army task across the board from the least cold war action through general nuclear war and its aftermath. I can answer for the spirit, the discipline, the training and the performance of the Army. The needs are clear. We look to you for the decisions. We recommend approval of the Army Program.

Thank you.

-END-